



# NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 00-15

DATE: OCT 03 2000

SUBJECT: 2000 Variable Operation  
Maintenance Power & Replacement  
Charges (OMP&R)

FROM: *Al D. Hart*  
Deputy Director, Department of Water Resources

The Department of Water Resources has completed a variable Operation Maintenance Power & Replacement study to evaluate the status of the 2000 variable charges. The most recent system energy rate, contractor payments through July, and actual and projected water deliveries were used in this study. Results indicate that some water contractors have now paid enough to cover their variable charges for the entire year. For these contractors the Department will lower their 2000 variable unit rates to zero for the remainder of the year. These adjusted rates will be applied starting with August deliveries.

As in past years, the Department will continue to evaluate the status of variable charges on a monthly basis. Pending study results, additional contractors could have their 2000 variable unit rates reduced.

It should be noted that net State Water Project power costs may increase over what is presently projected. If costs increase significantly, the Department will start the variable billing again. The present volatility of the energy market and the unresolved dispute with Southern California Edison may cause SWP power costs to increase.